



2802 S. Bus. Hwy 281  
Edinburg, Texas 78539  
Phone: (956) 318-2626  
Fax: (956) 318-2629  
www.co.hidalgo.tx.us/purchasing

December 06, 2017

Term: 01/01/2018 thru 12/31/2018

Burton McCumber & Cortez  
Bidder's name

email: [adelita.felix@bmcctexas.com](mailto:adelita.felix@bmcctexas.com)

Attn: Ms. Adelita Felix

205 Pecan Boulevard  
Address

McAllen, TX. 78501-2354  
City, State, Zip Code

**Re: HB Form 1295 Required/Renewal/Extension Notice  
Contract/Renewal# C-15-328-Hidalgo County – "Independent Audit Services"**

Dear Ms. Munoz,

Be advised, that in order to proceed with the County's option to extend/renew its first (1<sup>st</sup>) of two (2) one year renewals term, under the same rates, terms and conditions as provided in the current contract with **Burton McCumber & Cortez LLP** for the referenced project, the County is required, as of **January 1, 2016**, to comply with the **Texas Government Code, §2252.908**, and the rules issued by the **Texas Ethics Commission** found in Title 1, Section 46.1, 46.3 and 46.5 of the Texas Administrative Code. In accordance with these requirements for the type of contract being considered, a business must submit a completed Certificate of Interested Parties Form 1295, to the County before the County may enter into a contract with the business entity.

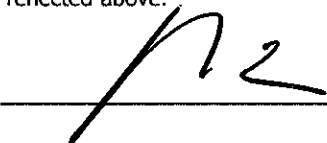
Thus, in order for County staff to process the above referenced extension/renewal; you must complete Form 1295 and file Form 1295 with the Texas Ethics Commission. You can find the 1295 Form through the Texas Ethics Commission at the following website:

[https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm)

In box 3 of **Form 1295**, provide **Reference No. E-17-257**. Once completed and filed with the Texas Ethics Commission, Form 1295 must be printed and signed in the presence of a notary and submitted to our office by the deadline stated below.

In order to proceed with approval of **Renewal/Extension** for referenced project by **Commissioners Court on December 19, 2017**, the signed notarized "**HB Form 1295**" and "**Extension Notice**" must be received in our office completed by no later than Monday, December 11, 2017 or sooner if possible. Hidalgo County cannot enter into a contract until Form 1295 is submitted, therefore, failure to timely submit Form 1295 signed, and notarized may result in delay of award.

In, addition, please include your "Updated Certificate of Insurance" with acknowledgment of receipt to this notice by signing below and returning to the Hidalgo County Purchasing Department, via email: [yolanda.velasquez@co.hidalgo.tx.us](mailto:yolanda.velasquez@co.hidalgo.tx.us) by no later than date reflected above.

By: 

Date: 12/6/17

Hidalgo County Purchasing Department welcomes and appreciates your participation in the contract process. If any further assistance is required, please do not hesitate to call the Purchasing Department (956)318-2626.

Sincerely,

*Martha L. Salazar*

Martha L. Salazar, CPPB  
Hidalgo County Purchasing Agent

MLS/yzv  
Enclosures

**DECLARATIONS  
ACCOUNTANTS PROFESSIONAL LIABILITY POLICY**

---

PRODUCER	BRANCH	PREFIX	POLICY NUMBER
<b>003613</b>	<b>970</b>	<b>APL</b>	<b>275465506</b>

---

INSURANCE IS PROVIDED BY  
CONTINENTAL CASUALTY COMPANY  
CNA PLAZA, CHICAGO, IL 60685  
A STOCK INSURANCE COMPANY  
REFERRED TO IN THIS POLICY AS WE, US, OR OUR.

1. Named Insured and Mailing Address

Burton McCumber & Cortez, LLP  
1950 Paredes Line Road  
Brownsville, TX 78521

\* \* \* NOTICE \* \* \* \* \*

THIS IS A CLAIMS-MADE AND REPORTED POLICY AND  
COVERS ONLY CLAIMS FIRST MADE AGAINST AN INSURED  
AND REPORTED IN WRITING TO THE COMPANY DURING  
THE POLICY PERIOD. PLEASE READ THIS POLICY  
CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR  
INSURANCE AGENT.

---

2. POLICY PERIOD: FROM: 9/26/17 TO: 9/26/18 at 12:01 A.M. Standard time at your address shown above.

---

3. PRIOR ACTS DATE: 9/01/91 at 12:01 A.M.

---

4. DEDUCTIBLE: Per Claim Deductible \$100,000 or Aggregate Deductible \_\_\_\_\_

---

5. LIMITS OF LIABILITY: (INCLUDES CLAIM EXPENSES UNLESS AMENDED BY ENDORSEMENT)

<u>\$2,000,000</u>	PER CLAIM
<u>\$2,000,000</u>	AGGREGATE

---

6. FOR NON-RENEWAL : 60 days notice will be given you in accordance with policy conditions.

---

7. PRINTED ENDORSEMENTS ATTACHED AT POLICY ISSUANCE INCLUDE:

G-127136-A(1/16) Policy	G-147092-A Specific Investment Exclusion
G-127137-A(7/12) Declarations Page	GSL8213XX Anti-Stacking Endorsement
G-127157-A(6/97) Nuclear Energy & Pollution Excl.	
G-127164-A42(6/97) Amend. Termination Provisions - TX	
G-53752-E42 Texas Policyholder Notice	
G-141584-A(6/03) Policyholder Notice	
CNA86549XX CPA Net Protect Prime Endorsement	
G-127139-A Excl Named Individuals or Entities	
G-127139-A Excl Named Individuals or Entities	

# CERTIFICATE OF INTERESTED PARTIES

FORM **1295**

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.  
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

**OFFICE USE ONLY  
CERTIFICATION OF FILING**

**Certificate Number:**  
2017-291394

**Date Filed:**  
12/06/2017

**Date Acknowledged:**  
12/08/2017

**1 Name of business entity filing form, and the city, state and country of the business entity's place of business.**

Burton McCumber & Cortez, LLP  
McAllen, TX United States

**2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.**

County of Hidalgo, Texas

**3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.**

E-17-257  
Professional Auditing Services

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Longoria, Ricky	McAllen, TX United States	X	
	McCumber, Gregg	Brownsville, TX United States	X	
	Walker, Richard	McAllen, TX United States	X	
	Mireles, Josefina	McAllen, TX United States	X	
	Pena, Benjamin	Brownsville, TX United States	X	
	Alarcon, Javier	Brownsville, TX United States	X	

**5 Check only if there is NO Interested Party.**

**6 AFFIDAVIT**

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

\_\_\_\_\_  
Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said \_\_\_\_\_, this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, to certify which, witness my hand and seal of office.

\_\_\_\_\_  
Signature of officer administering oath

\_\_\_\_\_  
Printed name of officer administering oath

\_\_\_\_\_  
Title of officer administering oath

# CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.  
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

### OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:  
2017-291394

Date Filed:  
12/06/2017

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Burton McCumber & Cortez, LLP  
McAllen, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

County of Hidalgo, Texas

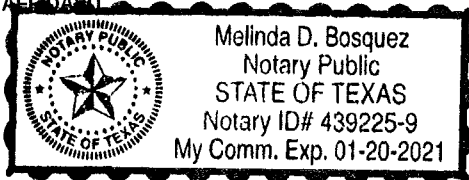
3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

E-17-257  
Professional Auditing Services

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Longoria, Ricky	McAllen, TX United States	X	
	McCumber, Gregg	Brownsville, TX United States	X	
	Walker, Richard	McAllen, TX United States	X	
	Mireles, Josefina	McAllen, TX United States	X	
	Pena, Benjamin	Brownsville, TX United States	X	
	Alarcon, Javier	Brownsville, TX United States	X	

5 Check only if there is NO Interested Party.

6 AFFIDAVIT



I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

*[Handwritten Signature]*  
\_\_\_\_\_  
Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said RICKY LONGORIA, this the 7<sup>th</sup> day of December 20 17, to certify which, witness my hand and seal of office.

*Melinda D. Bosquez*      Melinda D BOSQUEZ      Notary Public-Texas  
Signature of officer administering oath      Printed name of officer administering oath      Title of officer administering oath



**Burton McCumber & Cortez, L.L.P.**  
Certified Public Accountants & Management Consultants

205 Pecan Boulevard  
McAllen, Texas 78501-2354  
Telephone 956/618-2300  
Facsimile 956/618-2333  
www.bmctexas.com

Offices In:  
Brownsville  
McAllen  
Matamoros

January 28, 2016

County of Hidalgo, Texas  
The Honorable Judge Ramon Garcia  
And Commissioners  
2812 S. Business Hwy 281  
Edinburg, Texas 78542

We are pleased to confirm our understanding of the services we are to provide the County of Hidalgo, Texas (County) for the years ended December 31, 2015 and 2016 and at the County's option for the years ended December 31, 2017 and 2018 as set forth in the County's RFQ No. 2015-328-12-02-YZV.

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the County as of and for the years ended December 31, 2015 and 2016 and at the County's option for the years ended December 31, 2017 and 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the County's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.

We have also been engaged to report on supplementary information other than RSI that accompanies the County's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole and included as part of the County's Comprehensive Annual Financial Report:

- 1) Schedule of Expenditures of Federal and State Awards.
- 2) Combining and Individual Nonmajor Fund Financial Statements and Schedules
- 3) Related Agency Financial Statements
- 4) Budgetary Comparison Schedules

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- 1) Introductory Section
- 2) Statistical Section

### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Uniform Guidance (OMB Circular A-133), *Audits of States, Local Governments, and Non-Profit Organizations*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The OMB Circular A-133 report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Judge and Commissioners of the County. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal and state awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the County's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the County's major programs. The purpose of these procedures will be to express an opinion on the County's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

**Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the County in conformity with U.S. generally accepted accounting principles and OMB Circular A-133 based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

**Management Responsibilities**

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with OMB Circular A-133. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and state awards in accordance with OMB Circular A-133; (2) you believe the schedule of expenditures of federal and state awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal and state awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and state awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing. Also, you will assist in the copy of any pertinent information necessary for our files and will assist in the preparation of select audit schedules as required. To the extent that any of the information necessary for us to complete our audit is not submitted to us timely, you understand that such delays could cause delays in the overall completion of the audit.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal and state awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will provide copies of our reports to the County; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Burton, McCumber & Cortez, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to cognizant agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Burton McCumber & Cortez, LLP personnel. Furthermore, upon request, we may provide copies of selected audit

documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the County's cognizant agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Ricky Longoria is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our estimates of the fees to complete the audit for each of the years for which we are engaged are set forth below.

	<u>2015</u>	<u>2016</u>
County of Hidalgo	\$ 155,000	\$ 155,000
Head Start Program	\$ 36,000	\$ 36,000
Community Service Agency	\$ 25,000	\$ 25,000
Urban County Program	\$ 32,000	\$ 32,000

Should the County exercise its option to extend our services for the years 2017 and 2018, we would propose the following fees:

	<u>2017</u>	<u>2018</u>
County of Hidalgo	\$ 160,000	\$ 160,000
Head Start Program	\$ 37,000	\$ 37,000
Community Service Agency	\$ 26,000	\$ 26,000
Urban County Program	\$ 33,000	\$ 33,000

Our estimated fees for the years described above assume that there will be no significant changes to the operations of the County, Agencies or Departments, professional standards pertaining to accounting or auditing matters or unforeseeable events. If significant changes are noted, we will meet with management and discuss these changes and we will derive a new fee estimate for your consideration and approval.

Our invoices for these fees will be rendered each month as work progresses and are payable within 30 days after receipt of the invoice by you. In accordance with our firm policies, work may be suspended if your account becomes 45 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out of pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate based on the hourly rates listed below.

<u>Experience Level</u>	<u>Hourly Rate</u>
Partner	\$ 275
Manager	\$ 165
Supervisor/In-Charge	\$ 120
Staff	\$ 80

Our audit engagement ends on delivery of our audit report for any one year. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service. Accordingly, this engagement includes only those services specifically described in this letter. Costs and time spent on legal matters or proceedings arising from our engagement, such as subpoenas, testimony or consultation involving private litigation, arbitration or government regulatory inquiries at your request of by subpoena, will be billed separately.

County of Hidalgo, Texas

January 28, 2016

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. A copy of our peer review was included in our response to the County's Request for Qualifications pertaining to this engagement. In addition, a copy of our peer review can be read on-line at [www.aicpa.org](http://www.aicpa.org).

If any portion of this letter is held invalid, it is agreed that such invalidity shall not affect any of the remaining portion.

We appreciate the opportunity to be of service to the County and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

BURTON MCCUMBER & CORTEZ, LLP



Ricky Longoria, CPA, CFE  
Partner

RESPONSE:

This letter correctly sets forth the understanding of the County of Hidalgo, Texas.

By Ramon Garcia  
Ramon Garcia, County Judge

2/11/16  
Date

APPROVED BY  
COMMISSIONERS' COURT  
ON: 2/3/16 ms

**Re: Request for Letter of Engagement-Professional Auditing Services**

---

**From :** Martha Salazar  
<martha.salazar@co.hidalgo.tx.us>

Fri, Jan 29, 2016 03:49 PM

**Subject :** Re: Request for Letter of Engagement-  
Professional Auditing Services

**To :** Adelita Felix  
<Adelita.Felix@bmcctexas.com>, Sergio  
Cruz <sergio.cruz@co.hidalgo.tx.us>

**Cc :** Yolanda Velasquez  
<yolanda.velasquez@co.hidalgo.tx.us>

Ms. Adelita: ✓

After discussing your response with Budge Officer, Sergio Cruz, we accept your BAFO. The LOE is on next Tuesday's HCCC meeting for action.

Thanks,  
Marty

----- Original Message -----

From: "Adelita Felix" <Adelita.Felix@bmcctexas.com>  
To: "Martha Salazar" <martha.salazar@co.hidalgo.tx.us>  
Cc: "Yolanda Velasquez"  
<yolanda.velasquez@co.hidalgo.tx.us>  
Sent: Friday, January 29, 2016 3:08:58 PM  
Subject: RE: Request for Letter of Engagement-Professional  
Auditing Services

Good afternoon Ms. Salazar,

Hope you are doing well.

Auditing Services

Ms. Felix:

As part of the negotiation process, we are requesting your best and final offers on ALL the fees proposed in your Letter of Engagement. Please respond by no later than noon on Monday February 1, 2016 to Ms. Yolanda Velasquez.

Respectfully,

Marty Salazar

----- Original Message -----

From: "Adelita Felix" <Adelita.Felix@bmctexas.com >  
To: "Yolanda Velasquez" <yolanda.velasquez@co.hidalgo.tx.us >  
Cc: "martha salazar" <martha.salazar@co.hidalgo.tx.us >  
Sent: Friday, January 29, 2016 11:56:39 AM  
Subject: RE: Request for Letter of Engagement-Professional Auditing Services

Good morning,

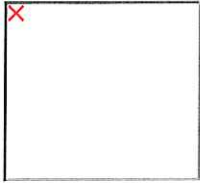
Pursuant to action taken by Hidalgo County Commissioners' Court on Tuesday, January 05, 2016, be advised that your firm has been selected (ranked number one) to enter into negotiation for "Letter of Engagement" with Hidalgo County to provide Auditing Services.

We request that you submit a proposed "Letter of Engagement", no later than 1:30 p.m. Friday, January 29, 2016. Please acknowledge receipt of this email with commitment to submit documentation by deadline returned via email to: yolanda.velasquez@co.hidalgo.tx.us

Be advised that as of January 01, 2016, in order to process the award of contract resulting from this SOQ, the County is required, to comply with Texas Government Code 2252.908, and the rules issued by the Texas Ethics Commission. Attached please find letter with more details and steps to complete form 1295 "Certificate of Interested Parties".

If you should require additional information, please let me know.

February 3, 2016



**AGENDA  
CC REGULAR  
HIDALGO COUNTY  
COMMISSIONERS COURT  
MEETING  
February 3, 2016  
9:30 A.M.**

NOTICE is hereby given in accordance with Chapter 551, Texas Government Code, that a SPECIAL MEETING of the Commissioners' Court will be held at the Edinburg Council Chambers 415 W. University Drive, Edinburg, Hidalgo County, Texas. Discussion and possible action relating to the following business will be transacted:

1. **Roll Call**

All members of the court were in attendance.

2. **Pledge of Allegiance**

Judge Garcia led the courtroom in reciting the Pledge of Allegiance.

3. **Prayer**

Virginia Townsend led the courtroom in Prayer.

4. **Approval of Consent Agenda**

The court moved to approve the Consent Agenda.

*The court proceeded to the schedule Addendum.*

5. **Open Forum**

Virginia Townsend spoke about her concerns regarding the Step and Grade Plan. Mrs. Townsend claimed that this plan is fair for all employees. She also commented on the difference in salary increase for some of the court coordinators, she demands fairness for all courts regardless of the courts having their own budgets to work with.

Commissioner Cuellar joined the meeting and Commissioner Palacios stepped away.

Opal Billman professed that her marriage and the end of it, is not a political concern. She claimed that she has asked for her divorce case to be examined and be brought into compliance with the law. According to Mrs. Billman, the secretary of state has certified and allowed all of the private owned community property belonging equally to both, to be incorporated into two corporations. The corporations have no legal status in the divorce lawsuit. From the Tax Assessor Office and the Appraisal District she demanded an explanation of the taxation of her community property. Mrs. Billman declared that Twin Lake RV Park is the business endeavor of them. Therefore, requested knowing how the trailer owners are being taxed. Finally she demanded having the police imprisonment of her persona to be ended, and an accounting by the court of her community property with the income it's producing and who is keeping it.

Fern McClagherty asked for an explanation of the salary increase for the 449<sup>th</sup> District Court Coordinator. The employee is receiving over \$10,000 increase. Mrs. McClagherty

February 3, 2016

2. AI-53206 Various Pct 4 Projects (1200):  
Approval of 2016 appropriation of funds from the R&B unreserved fund balance in the amount of \$396,302.86 to fund Pct 4 Rio Grand Care & Trenton road projects.

On motion by COMMISSIONER PCT. 1, A.C. CUELLAR, JR., seconded by COMMISSIONER PCT. 3, JOE M. FLORES, the Court made a UNANIMOUS vote of approval.

**Vote:** 3 - 0 - Unanimously

F. **Interfund transfers:**

1. AI-53211 Pct 4 Rio Grande Care Rd (1200):  
Approval of 2016 interfund transfer from Co. Wide Adm-Contingency (1100) to Pct 4 Rio Grande Care Road Project (1200) in the amount of \$148,697.14 to partially fund anticipated project expenditures.

On motion by COMMISSIONER PCT. 1, A.C. CUELLAR, JR., seconded by COMMISSIONER PCT. 3, JOE M. FLORES, the Court made a UNANIMOUS vote of approval.

**Vote:** 3 - 0 - Unanimously

24. **Purchasing Department:**

**Notes:**

**A. FOR ANY CONTRACT(S) AWARDED AND APPROVED UNDER THIS AGENDA, EXECUTED COPIES OF THE CONTRACT(S) WILL BE AVAILABLE ON THE COUNTY INTRA-NET WEBSITE AND WILL BE FOWARDED VIA E-MAIL, FAX OR HAND DELIVERED TO HIDALGO COUNTY AUDITOR'S OFFICE.**

**B. ANY AND ALL REQUESTS FOR PAYMENT(S) APPROVED WILL BE SUBJECT TO COUNTY AUDITORS PROCESSING PROCEDURES INCLUDING AUTHORITY FOR COUNTY TREASURER TO ISSUE PAYMENT(S)/CHECK(S).**

A.



**Hidalgo County**

*Mrs. Martha Salazar emphasized that anything that's applicable will be done so under HB 1295 and CIQ. These two are the vendors responsibility.*

1. AI-53152 Presentation for consideration, action and approval of the proposed Letter of Engagement received from number #1 ranked firm of Burton, McCumber & Cortez for the provision of Independent Audit Services for Hidalgo County with initial engagement for fiscal years 2015 & 2016 with HC option to negotiate fees for the 2017 & 2018 fiscal year audits with compliance with HB1295 [when and if applicable].

**APPROVED**

*Ms. Salazar mentioned that this is subject to funding.*

On motion by COMMISSIONER PCT. 1, A.C. CUELLAR, JR., seconded by COMMISSIONER PCT. 3, JOE M. FLORES, the Court made a UNANIMOUS vote of approval.

**Vote:** 3 - 0 - Unanimously

# CERTIFICATE OF INTERESTED PARTIES

# FORM 1295

Complete Nos. 1 - 4 and 6 if there are interested parties.  
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

### OFFICE USE ONLY

**1** Name of business entity filing form, and the city, state and country of the business entity's place of business.

Burton McCumber & Cortez, LLP

**2** Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

County of Hidalgo

**3** Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.

C-15-325-01-05

Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary
Ricky Longoria	McAllen, TX United States	X	
Gregg McCumber	Brownsville, TX United States	X	
Richard Walker	McAllen, TX United States	X	
Josefina Mireles	McAllen, TX United States	X	

**5** Check only if there is NO Interested Party.



I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

*[Handwritten Signature]*  
 Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said Ricky Longoria, this the 26<sup>th</sup> day of January, 20 16, to certify which, witness my hand and seal of office.

*[Handwritten Signature]* Signature of officer administering oath  
 Diana Gonzalez Printed name of officer administering oath  
 Administrator Title of officer administering oath

**ADD ADDITIONAL PAGES AS NECESSARY**

# CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.  
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

## OFFICE USE ONLY CERTIFICATION OF FILING

**1 Name of business entity filing form, and the city, state and country of the business entity's place of business.**

Burton McCumber & Cortez, LLP  
 McAllen, TX United States

**Certificate Number:**  
 2016-7313

**Date Filed:**  
 01/29/2016

**2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.**

County of Hidalgo, Texas

**Date Acknowledged:**  
 02/01/2016

**3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.**

C-15-325-01-05  
 Audit Services

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Longoria, Ricky	McAllen, TX United States	X	
	McCumber, Gregg	Brownsville, TX United States	X	
	Walker, Richard	McAllen, TX United States	X	
	Mireles, Josefina	McAllen, TX United States	X	

**5 Check only if there is NO Interested Party.**

**6 AFFIDAVIT**

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

\_\_\_\_\_  
 Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said \_\_\_\_\_, this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, to certify which, witness my hand and seal of office.

\_\_\_\_\_  
 Signature of officer administering oath      Printed name of officer administering oath      Title of officer administering oath

**APPROVED**

AI-53152

Purchasing Department  
24. A. 1.

CC - REGULAR

Meeting Date: 02/03/2016  
Submitted For: Yolanda Velasquez, PURCHASING DEPT.  
Submitted By: Marty Salazar, PURCHASING DEPT.  
Department: PURCHASING DEPT.

Information

CAPTION 

Presentation for consideration, action and approval of the proposed Letter of Engagement received from number #1 ranked firm of Burton, McCumber & Cortez for the provision of Independent Audit Services for Hidalgo County with initial engagement for fiscal years 2015 & 2016 with HC option to negotiate fees for the 2017 & 2018 fiscal year audits with compliance with HB1295 [when and if applicable].

BACKGROUND

Fiscal Impact

FISCAL YEAR: ACCT. #:  
FUNDS AVAILABLE Y/N?: MATCHING FUNDS Y/N?:  
BUDGETARY IMPACT:

Monies for this engagement would need to be provided by all affected parties: HC-DBM and Federal Programs/Agencies

Attachments

Burton McCumber-1295 Form Letter

Letter of Engagement

Email-To Graders

BAFO.pdf

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Marty Salazar	01/29/2016 03:02 PM
Budget & Management	Veronica Ortiz	01/29/2016 03:37 PM